

**STRATEGIC PLANNING MEETING OF THE
ARIZONA STATE PARKS BOARD
FRANCISCO GRANDE
26000 W. GILA BEND HIGHWAY, CASA GRANDE AZ.
OCTOBER 22, 2008
MINUTES**

Board Members Present:

William Scalzo, Chairman
Reese Woodling, Vice Chairman
William Cordasco (via telephone)
Arlan Colton
Tracey Westerhausen
Mark Winkleman

Board Members Absent:

Larry Landry

Staff Members Present:

Kenneth E. Travous, Executive Director
Ellen Bilbrey, Public Information Office

Attorney General's Office:

Dennis Carpenter, Assistant Attorney General
Laurie Hachtel, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 10:00 A.M.

Chairman Scalzo called the meeting to order at 10:00 a.m. Roll Call indicated a quorum was present.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Mr. Woodling read the Board Statement.

1. **Board Statement** - "As Board members we are gathered to be the stewards and the voice of Arizona State Parks' Mission Statement: Managing and Conserving Arizona's Natural, Cultural, and Recreational Resources, Both In Our Parks and Through Our Partners for the Benefit of the People."

C. DISCUSSION/ACTION ITEMS

Chairman Scalzo explained that this meeting was called primarily to do strategic planning and to review it as an ongoing process.

1. **Discussion and Action Regarding the Hiring of a Transitional Executive Director** – The Board will discuss and take action on the option of hiring a Transitional Executive Director.

Chairman Scalzo noted that the Board's Executive Director's Hiring Subcommittee met recently and asked Mr. Cordasco to give a report on that meeting.

Mr. Cordasco reported that he, Chairman Scalzo, and Mr. Travous met on September 30 to discuss the hiring of an Executive Director. There were other items of discussion

that came up during that meeting that related to where we are right now both nationally and within the state; housing issues in Phoenix; and other issues that are not fun to talk about. During those discussions, the subcommittee began to discuss what advantages there might be to put a "bridge" in place that might get us through this time of transition, not only with the Director, but with the state budget and even through the point of talking about where Arizona State Parks (ASP) wants to go in the future and how they want to get there so they're more defined in talking to prospective applicants about what would be expected of them or giving them a clearer sense of where ASP is headed.

Mr. Cordasco added that, through those discussions, the subcommittee came up with a proposal that the Chairman sent to everyone in a formal letter.

Chairman Scalzo noted that the subcommittee discussed the concern of how to move forward and whether selection of a transitional Director made sense. He has also had discussions with the Attorney General's (AG) Office about whether this can be done and how it can be done. He suggested that this might be the time to have the AG's Office talk a little bit about this issue.

Mr. Travous noted that Agenda Items 1, 2, and 3 are so intertwined that it was hard to separate them. He added that, in order to facilitate open discussion, there are several internal employees – including Ms. Joy Hernbrode, the Board's representative from the AG's Office – who are thinking about applying for that job. He asked his Executive Staff and the AG's Office asked Ms. Hernbrode not to come to this meeting so the Board can have open discussions. They will read the Minutes, as everyone can do, but he felt it was important for the Board to be able to have those discussions without those people being physically in the room.

Chairman Scalzo stated his agreement. He noted that he spoke with the AG's office about that issue as well. He wants this discussion to be as open as possible, but he also does not want to affect perception of other candidates where involving potential internal employees is in the decision-making process.

Chairman Scalzo suggested that the Board, if they want to go that way, discuss what kind of process they would have to follow. He asked Mr. Carpenter of the AG's Office to discuss whether the Board can do a transitional or interim Director position and what, if any, limitations would apply.

Mr. Carpenter noted that if he is giving the Board legal advice, the Board has the right to decide to go into Executive Session, at which point the advice is privileged. Often times he does give legal advice in an open meeting.

Mr. Winkleman noted that Mr. Carpenter would be discussing the process, limitations, etc. He felt that this discussion would be more generic.

Ms. Westerhausen added that she felt this would be something the general public would be very interested in. The Board is not really calling on Mr. Carpenter to give advice on a specific avenue the Board should follow.

Mr. Carpenter reported that the Parks Board has a lot of flexibility. The Executive Director is an uncovered position. The final authority rests with the Board and not the Executive Director. Part of the Board's authority is to hire an Executive Director. That

position is uncovered. If it were a covered position, that person could only be fired "for cause"; that person has appeal rights; can go before the Personnel Board; etc.

Uncovered employees work "at will" as though they were in the private sector. They serve at the Board's pleasure. Because of that, the Board has a lot of flexibility about how to do this.

Mr. Carpenter noted that the Board can almost do whatever they want. The Board can hire someone and say, "You are going to work for six months," "You are going to work for one year," etc. The Board can tell that person he/she does not have a contractual right to the job. The Board can be up front with people and tell them this is only a temporary assignment. It is always clear that that position serves at the Board's pleasure. The Board can get rid of the Director for whatever reason at any time as long as it's not an illegal discriminatory reason.

Mr. Carpenter added that it is not unusual in a lot of the agencies he represents to have an "Acting Director". It's normally done because there's a recruitment process going on. As an example, when the Director of Public Safety retired a couple of years ago, they launched a recruitment process to replace him. In the meantime, there were four Assistant Directors at DPS. One of them was promoted to Acting Director. Meanwhile, the recruitment process was conducted and he, as well as some of the other Assistant Directors, applied for the position. They ended up hiring the Sheriff of Pinal County as the Director of DPS. At that point, the Acting Director dropped back down from the Director position. This is one of the potential options that the Board has.

Mr. Carpenter stated that the Board could also hire someone from outside the agency or within the agency and tell that person this is just temporary.

Mr. Carpenter added that the Dept. of Administration (DOA) has an Executive Recruiting Office to assist the Board by doing nationwide recruiting for positions. That process could take a while.

Mr. Carpenter gave another recruitment example. The Director of the Dept. of Health Services resigned recently. They appointed an Acting Director from outside the agency – she actually came from the Governor's Office – and it is understood that she is just there as an Acting Director. He doesn't believe that they are actually recruiting at this time. He doesn't believe that their intention is for her to hold that position forever. She has it for the time being because that position serves at the will of the Governor.

Chairman Scalzo asked if someone were to be hired in the interim whether they would still have all the power and authority to hire and fire, etc.

Mr. Carpenter responded that the Director, whether acting, interim, or whatever, has whatever authority the Board wants to give that person. He/She does not have the authority the Board wants to take away. The Board could put an Acting Director in place and take back some of his/her authority. That happened recently in a Board he represents. The Executive Director resigned. The agency consisted of just four employees who served in an administrative function. They took someone who was a Deputy Director but really in an administrative position and made that person the Acting Director while they recruited through DOA. The Chairman of the Board said the Acting Director needed to call him before doing anything. In the meantime they did a recruitment and hired someone from Virginia.

Mr. Travous noted that Mr. Carpenter discussed an Assistant Director at DPS being promoted to Acting Director and then dropped back down. He asked how it would work for a person who was in a covered position – is there a way to protect their rights?

Mr. Carpenter responded affirmatively. Typically there is an agreement that says that person is temporarily going into an uncovered position, but has rights to reinstatement to his/her covered position. If someone in that position were doing a bad job he/she could be fired from that uncovered position but then is returned to his/her covered position. Then that person could only be fired for cause, they can appeal, etc.

Chairman Scalzo asked if the Assistant Directors at ASP are covered.

Mr. Travous responded that they are uncovered, just as he is, and have no entitlement to their previous position should one of them become interim Director.

Mr. Colton asked if the Board could make an agreement should they promote a current Assistant Director that he/she could go back to his/her previous position. If that were the case, that Assistant Director position would need to be left vacant.

Mr. Travous noted that when he put together the job description, he wrote, "It is anticipated that this is a transitional climate and that a search for an Executive Director will be pursued in the summer of 2011." He used "anticipated" so that if the Board wanted to go in another direction, they could do that. At the same time, it is not saying that the Board is going to. If, in 2011, the Board feels this is exactly the person they want, they don't have to recruit further.

Chairman Scalzo stated that he believed it was time for the Board to begin discussion on this issue. He noted that the Board does not have to take action on this item today. The good news is that the Board still has Mr. Travous here through at least June 2009 – maybe longer.

Mr. Woodling questioned why the Board is talking about a three-year interim, which he feels is shorter than a "transitional". He asked if the word "transitional" is used because it's longer than a year. In other words, how does "transitional" relate to "interim" and why the year 2011.

Mr. Cordasco suggested taking a step backward. It sounds like the Board is able to hire a Director for a period of time and (interim or transitional) give that person full powers to oversee the state parks. He asked if everyone feels comfortable that the Board has the opportunity or ability to hire an interim or transitional Director. If so, then it's just about what the Board's options are and what's appropriate for ASP. At their meeting, the subcommittee made a proposal that was included in a letter from the Chairman that articulated some things regarding ASP on a state and national level and where we are now. It was not a matter of trying to define a time in the future that we needed to have whether it be one, two or three years. He believes that the discussion now should be about whether the Board feel that it's even appropriate to have the discussion about bridging ASP from when Mr. Travous leaves or even consider so there's time to have a better sense of where ASP and everyone will be heading.

Chairman Scalzo added that the reason for using 2011 was a compromise. The subcommittee was trying to look at where we are economically in this country and in

this state and with state parks. We know we will try to work with the Governor on the committee she is going to appoint to take a look at where ASP's funding should be. We're working with the Foundation on that same issue. We were going to work with ASU on a study. All of which would probably not take affect until the 2009-2010 legislative session. With that in mind, the subcommittee felt we might have a better grasp on what our funding might be and new directions for the agency before going out to recruit. 2011 was about two years after Mr. Travous' potential leaving. It is also a chance for the Board to have a new direction and maybe a new funding mechanism and allow our recruitment to be as effective as possible. We don't know if, in two years, the economy will get better. The funding issue seemed to be the predominant issue. This is a very difficult time for parks systems across the nation. We are not unique.

Mr. Woodling noted that, historically, he was on the Board when Mr. Mike Ramous resigned. That Board looked at an interim Director and discussed it at that time. They found that the morale of the agency deteriorated rapidly. There was talk about bringing another person in from within the agency. There were also several people from outside the agency lobbying for that position. It was rather ugly. The Board decided at that time that they would take over the duties of the Executive Director instead of hiring an interim person and went out for a national search. That seemed to quiet some of the issues within the agency. He expressed his concern about bringing in someone from within the agency for a year or two and causing issues within the agency that could be negative towards the agency's morale. This is one issue he has based on a historical perspective of 25 years ago. They hired a person from a national search to be Executive Director, and that person brought in Mr. Travous who ended up being the agency's Executive Director. He really feels that this Board would do the agency a disservice if we brought someone from within up into that position.

Mr. Woodling stated that the second issue he has is that he doesn't like the idea of saying that the Board are at the mercy of the economy or what's going on in the state. He feels that if the Board hires an interim Director, we are just telling ourselves that we'll wait this storm out and showing the state, the Governor, and the legislature that we're giving up the fact that we are a proactive agency. He feels it would give a solid message to the legislature and the Governor and the people of Arizona if we acknowledge that we are in tough economic times and the budget is a wreck but we are going to go out and find the best person possible now. We're not going to wait one, two, or three years. We're going to get the person we really want to take charge of this agency and move it in a positive direction. He noted that each year we have a different Board. We're going to lose Board members; we're going to gain Board members. He doesn't feel an interim Director would have the positive support of the Board because he/she would be an interim Director. He does not believe that an interim is a good place to be for that person or the Board.

Mr. Woodling stated that he is arguing against hiring an interim Director, but really going out through DOA or through a hiring firm. He is looking more at DOA because he believes they do a good job. He feels strongly, as a Board member coming in as Chairman next year, to see this Board proactively going out and finding the right person now and not waiting because of outside influences the Board has no control over.

Ms. Westerhausen stated that now might be a great time to find qualified people because we are offering health care, retirement benefits, etc., that are disappearing from the public sector, and we have affordable housing now. She believes it may be a great time to get some great applicants. She also thinks whether the Board uses DOA or a private job search company is another topic. Dealing with interim vs. permanent, she wholeheartedly echoes Mr. Woodling's comments to just go for it.

Mr. Winkleman stated that, before he jumps on this bandwagon, he wanted to know if any of the other Board members feel differently. While he does have comments, it will probably echo Mr. Woodling's and Ms. Westerhausen's comments.

Mr. Colton stated that he read the material that was provided in terms of the concept of an interim Director. The arguments make sense to him and it is a logical conclusion to come to. What bothered him about it was the feeling that the agency would just be in a holding pattern for a few years. It might not be possible to get a full-time person because we don't pull qualified people from around the country like that. His guess is that everyone's hurting pretty much everywhere. If we're all in the same boat and with what Mr. Woodling said, he is somewhat persuaded that, while the interim position has its merits, it's not overwhelming convincing that we shouldn't go forward and see if we can find someone permanent that the Board can build with.

Mr. Winkleman stated that perhaps the Board's perspective is different because we are in a somewhat unusual position because Mr. Travous has served as Executive Director for more than 20 years. In sitting on the Governor's Cabinet with all of the other agency directors he knows this is unusual. It's not at all uncommon to see them last a year or two. We're talking about an interim period that could be two or three years and that is the lifetime of a lot of directors of agencies. We have legislators that don't have tenure for more than a couple of years. We've had governors who haven't lasted. In looking at the economy and the numbers of people getting laid off and jobs disappearing, if we have a job to offer it could be an asset it might not otherwise be in other economic times. There are other states in worse shape than we are. There may be people who see this as a more stable situation.

Mr. Winkleman added that he is concerned that the Board has at least three staff or attorney insiders who want this job. If the Board chooses one of them and he/she serves for two or three years the Board is put in an awkward position. If the Board chooses one of them to serve for three years, the Board should just name that person as Director and make that decision. He feels that Board should just go ahead.

Mr. Cordasco stated that he didn't have any additional comments. He believes that this has been a great discussion. In fairness, everyone has some great points. When the subcommittee met he believes they were focused on ensuring a more stable environment in order to hire someone permanent than what it feels like right now. One of the discussions they also had that was included in this proposal was the possibility of being able to offer a contract to a future Director, which the Board really can't do now, to provide that stability that Mr. Winkleman was talking about. It seems like that would be something that would be good to have in place and be able to provide to a prospective Director. The proposed study by the Morrison would provide some good information that would be helpful to have before going out to search for an applicant. The third thing the subcommittee discussed was the cost. There is a potential

cost that will go into this process. They felt that if the Board were going to invest money into looking for an Executive Director, it might be good to have some of these other things in place first. All the Board members have some great thoughts. He feels that the Board should still consider the subcommittee's proposal to the Board a little longer before moving away from it.

Mr. Cordasco added that today's meeting was to be primarily about strategy for the agency. There has been discussion about the strategy for the agency ever since he's been on the Board. When asking what the strategies, goals, or objectives are for the agency, where are they? Sometimes the Board talks about being more of a natural resources department; other times we talk about needing to pursue the new demographics of Arizona's future while never getting to a point where something is defined. When talking about these things, he feels that right now the Board needs somewhat of a "bridge". With that being said, it is really important to know why that bridge is there. We're saying that it's important so that ASP is able to provide a contract to a perspective Director. We need to have the information from the Morrison Institute if that's what we believe is going to provide the best information to make decisions about the future of ASP. We should have that information prior to pursuing a prospective Director. If the Board is going to spend some money on looking for a Director, we should know that when we spend it, it will count.

Mr. Colton noted that Mr. Cordasco's observations were good. He had a few comments. His first comment relates to the multi-year contract that is on the Agenda to discuss later. Having an Executive Director who's been here for 22 years without a multi-year contract suggests that if someone is doing his/her job well there should be no fear that there will be jeopardy of losing the job. He does not believe that's an issue that ought to be a real barrier to someone. From a strategic planning standpoint, he knows that the Morrison Institute's report is to be published in June 2009, the findings are due in March 2009. It's not that far off. He believes that Mr. Cordasco is correct in that the report is a key component to the Board's decision-making in what they are concerned with in terms of a new Executive Director. It would also be of interest to anyone who is going to come in.

Mr. Colton added that, from a strategic planning viewpoint, he looks at this as two-fold. One is what the Board's longer range plan is for where they want to be. The Board needs that Morrison report and the Blue Ribbon committee information to find out where we're going long-term. To him, strategic planning is a short-term effect. Where does the Board want to be in a year? He thinks the Board can begin to do that. The nice thing about strategic planning is that it's a living document. It changes. Too many entities do a strategic plan, say it's done, and work on it for the next five years. That's not what a strategic plan should be. A strategic plan should be a document that one looks at every six months. It is a document that is in place, worked on, and tweaked when necessary. That's what excites him about being on the Board – the planning part, which is his background. He believes the Board can accomplish both and still be able to recruit someone because we do have a track record with someone and still do a strategic plan that is flexible and can get the Board where we want to go in the next one to two years.

Mr. Travous noted that ASP has a reputation of being a stable place. He stated that he wanted to talk to the Board about timing. The one complication in this is that when Mark Siegwarth, Assistant Director of Administration, left the agency we found that people who may have been interested in the position are reluctant because they don't know who the new Executive Director will be. They don't want to step out and then in two or three months later there's a new Director and they don't know who it is. In the best of all worlds, the person coming in would be involved, if not have the say, in replacing Mr. Siegwarth. He doesn't know that the Board can wait until March to start that process.

Mr. Travous added that when talking about strategic planning, there are some things the Board can talk about to get started and perhaps give the Board an idea of what to do for a strategic plan or campaign over the next three months, 12 months, whatever, to get us going.

He asked Mr. Carpenter if the Board could, if they wanted to, give a new Director a five-year contract.

Chairman Scalzo stated he would prefer moving the Agenda Item 3 to discuss this issue.

3. Discussion and Action Regarding Seeking Legislation to Allow the Parks Board to Enter into a Multi-Year Contract for the Executive Director – The Board will discuss and may take action on seeking legislation that will allow the Arizona State Parks Board to enter into a multi-year contract with a new Executive Director.

Mr. Carpenter stated that he would never recommend entering into a written contract for the Board's Executive Director. He doesn't understand why the Board would really want to do it because the Board would then be locked in with that person. If the Board doesn't feel that person is doing a good job and try to fire him/her, that person points to the contract and we end up in litigation because there is no administrative process in place for uncovered employees. It ties the Board's hands by taking an "at will" position and turning it into a position where one can only be let go "by cause". It is basically making the Executive Director into a covered position. The only one who has that in the State of Arizona is the Director of DPS because law enforcement pushed it through the legislature. It is not something that the state wanted. It was to try to shield them from the politics when there's a change in governors. It is unusual in government to have this kind of position with a contract.

Mr. Carpenter added that during the recruitment process applicants will be asking how long the last Executive Director served. The fact that Mr. Travous served for 22 years makes the Board look good. He noted that he is recruiting for other Executive Directors where three different people have gone through the agencies in two or three years. That makes people nervous.

Mr. Carpenter discussed cost. He noted that this is what the DOA staff really do – it's all that they do. They know what they're doing. They offer this service to state agencies so it doesn't cost them anything.

Ms. Westerhausen noted that the DOA representatives who recently spoke to the Board were both from the private sector before working for the state.

Mr. Travous stated that a reality that the Board needs to be aware of is that it is difficult for a Board to evaluate its Director. They are reluctant to do it. He has tried several times to the point where he had to push the Board to review his work. Boards don't like to do it. He's been fortunate enough to be able to get along with people and figure out what their needs were. The most difficult part of being a Board member is confronting their director when they don't like what's going on.

Chairman Scalzo asked how having a contract would change that.

Mr. Travous responded that the person would then be up for review. Whether it's a three-year or five-year contract, at some point in time the Board has to review the director.

Chairman Scalzo asked if any of the other agencies have a performance agreement with their directors. A performance agreement lists what they are going to achieve over a period of time – six months or annually – and the Board meets at least twice a year with them in Executive Session to review their status on these performance measures. That's the way it worked in the County for 17 ½ years. The County Manager reviewed that document and gave him his evaluation. He reviewed directors who reported to him, and directors were terminated based on bad performance or rewarded with a merit increase based on that document. It's a very effective system. It's a fair system because one works it out with the director; he or she is part of the process of what the measurements are. That's something the Board should have done years ago with Mr. Travous. He believes Mr. Travous would have been more comfortable knowing what the expectations of the Board were. He believes that process should be started with the new Director.

Ms. Westerhausen asked if that performance agreement could be placed in the Board's policies and have a checklist and concerns without calling it an agreement that someone could litigate over.

Chairman Scalzo responded that it doesn't have to be called an "agreement"; it could be called something else.

Mr. Carpenter responded that there are boards that do review their Executive Directors. Honestly, they all should be doing it. He doesn't believe that most of them do until there's a problem. That's just the nature of boards. Board members have their own lives and jobs and just come together. He noted that two Executive Directors were fired in the last year. It was very ugly. There are boards and commissions that do review their directors.

Chairman Scalzo asked if they have written documents that they use.

Mr. Carpenter responded that one just asks their executive director what he's doing. It was basically when they were looking to give him a raise. They just had their executive director report. Certainly, the Parks Board is free to do what happens to all the other state employees. We have evaluations; we have forms. The agencies generate their own.

Chairman Scalzo noted that having a director “at will” still doesn’t eliminate that. It’s a measure.

Mr. Carpenter responded that both he and Laurie are “at will”. It’s just to show the legislature that the Board is evaluating their performance. They have to create their performance goals that are a part of their annual review.

Mr. Winkleman agreed that it is something the Board probably hasn’t done. He thinks the Board should. He agrees with Ms. Westerhausen that it shouldn’t be a separate agreement but be left up to the Board. It should be a yearly agenda item and the Chairmen, as they go through, should know it’s coming up. He doesn’t see that this is necessary for the job. As was pointed out, the Board has a director who’s been here 22 years who doesn’t work at the will of the Governor but works at the will of the Parks Board so there isn’t the politics playing a role like it is in his position. He doesn’t see that as something the Board has to do to attract people. He believes that putting the evaluation as a yearly agenda item is the right way to handle it.

Mr. Woodling noted that Mr. Siegwarth made a comment at his last Board meeting that he probably wouldn’t have left ASP if he didn’t feel that he had his particular department in a really good situation to perform for quite a while without hiring an Assistant Director to replace him. He doesn’t think the Board should look at that as something the Board needs to be concerned about right now. He still feels that the Board needs to move forward and hire a permanent Executive Director as soon as possible.

Mr. Woodling added that when hiring an interim, that person has a different philosophy coming in than a person who is hired as a permanent. A permanent person will do everything possible to get that job. That person will bring in his/her ideas and a lot of experience from wherever he/she comes from – whether it’s within the agency, outside, or from outside of the state. He thinks that would be as valuable in some ways to hear their ideas for a director as it is from the Morrison Institute. He thinks that the Board may need to look outside the state and bring in some people for interviews who are really top people if we can find them. That will be very important to him.

Chairman Scalzo then returned to Agenda Item 1 to continue the discussion on whether the Board should hire a transitional or go to a direct recruitment. It sounds to him that the vast majority of the Board is interested in going for a permanent selection through a nationwide recruitment.

Chairman Scalzo noted that Mr. Landry called him yesterday and echoed that same sentiment. He would prefer to see the Board at least take a look nationally than try to do something transitionally.

Board Action

Ms. Westerhausen: I move that the Arizona State Parks Board seek an Executive Director – not an interim Director – for the Arizona State Parks Board accompanied by a nationwide search for that Executive Director.

Mr. Winkleman seconded the motion.

Mr. Woodling asked whether the Board could make a decision at this time as to whether they want to use DOA exclusively or does the Board want to look at an outside firm.

Chairman Scalzo responded that he would like the Board to discuss that issue more. The Board may want to have that discussion in Phoenix in November because more people can come to a meeting there. He received an E-mail from a member of the Trails Committee indicating that she supported the Board trying to hire a permanent person and not a transitional person. However, she couldn't be here. In his discussions with DOA, they felt the Board would be OK with a November start-up as long as there's a good job description to work with. Their timelines seemed to provide for getting the Board some candidates after the first of the year. They didn't think it would need to post for more than a few weeks. He would feel more comfortable if we were in Phoenix and had more input. We're also talking about inviting the various advisory committees to the November meeting. The Board can make the decision today to hire a permanent Director. The Board must make the decision on who to use for recruitment at the November meeting.

Chairman Scalzo called for a vote on the Motion on the floor. The motion carried unanimously.

Chairman Scalzo thanked Mr. Carpenter for the information he provided the Board. He asked if he has been involved with using the DOA with the agencies he represents.

Mr. Carpenter responded affirmatively. He stated the Psychologists Examiners Board just did it. They recruited someone from Virginia who was working in that area there. They know what they're doing. They advertise in national magazines; they use the Internet. He noted that they arranged travel for the people to come out for interviews. He believes that there is a statute that says the state will not pay for someone to move here. They gave the man from Virginia a bonus that covered his moving expenses.

Ms. Westerhausen noted that she was able to get a copy of qualifications of the Board's Executive Director from her Blackberry. That person cannot be a Board member; serves at the pleasure of the Board; must be qualified by successful experience in administration in business or in government; and have a knowledge of or training in the multiple use of land and the conservation of natural resources. That sounds to her like it's pretty much carte blanche on the kinds of qualifications the Board would be looking for.

Mr. Carpenter responded that, unlike some of the other agencies, those are characteristics that the recruitment would be based on for this position.

Chairman Scalzo noted that the job description that Mr. Travous has been working on is much more specific and the Board can use it in the recruitment.

Mr. Colton noted that he refers to them as preferred qualifications.

Mr. Carpenter added that, for the salary, this is an uncovered position so it is not set by the legislature. However, DOA does have their Executive Directors in different classifications. There are Executive Directors at various levels. At each of those levels there is a salary range. DOA will have to let the Board know the salary range for what

they have classified this particular Executive Director position in. It's based on responsibilities, the size of the agency, etc.

Mr. Travous noted that he is an E4 with a beginning salary of \$90,000 and a maximum of about \$134,000.

Mr. Colton asked if the Board wanted to discuss the job classification it would need to be done with DOA's recruitment staff.

Mr. Carpenter responded that it could be someone who works with or advocates for the Board. But it would be in Classification and Compensation, which is part of DOA's Human Resources section. This is something that DOA Recruiting might help the Board with. They look at the size of the agency and the number of staff. He believes DES (Dept. of Economic Security) has 20,000 employees.

Mr. Winkleman noted that this may be a technicality, but he believes that because of the hiring freeze, the Board may have to go the process to get this designated as Mission Critical, which sounds ludicrous but may be necessary.

Mr. Carpenter responded that Mr. Winkleman is correct.

Ms. Hachtel noted that Ms. Craig talked to someone at DOA about the Mission Critical process. She thinks they said we would have to go through it but that it wouldn't be a problem.

Mr. Carpenter responded that it was not a problem for the Psychologists Board.

Mr. Travous asked if the Board has a timeline and whether there is something the Board wants him to do.

Chairman Scalzo responded that representatives of DOA (Susan and Tom) should be at the next meeting to report on the process they would follow, timelines for the Board, and what the need from the Board.

Ms. Westerhausen noted that she had never seen a job description like this before. She asked if this is the format DOA typically uses.

Mr. Travous responded negatively. This job description format came from the Internet.

Ms. Westerhausen stated that she likes the definition of the job and examples of duties. She noted that it appeared to include six topics of examples. She suggested that they could be regrouped so that each one falls into its own category. Regarding the employment standards, it does go well beyond the statute. She wondered if the employment standards are limiting the Board in getting people who might have worked in some kind of private capacity (i.e., The Nature Conservancy) where they might not fit if the Director of The Nature Conservancy might want to come over and apply for the job. That person might not be qualified under these particular employment standards. She wondered whether there is a way to make it more inclusive but still target our audience. Her second comment relates to adding a couple of things to the "Ability to" section.

Chairman Scalzo stated that it is important for the Board to discuss this now so it can be submitted with adjustments or changes to DOA.

Chairman Scalzo asked Mr. Woodling had any comments or suggestions since he went through this process 25 years ago.

Mr. Woodling responded that he recalls that Board conducted a national search. He recalls that there was some heartburn after several months with the person they hired. That's why Mr. Travous has been the Board's Executive Director for a long time. He doesn't recall whether the Board used DOA for the national search.

Mr. Travous responded that the Board had a search through DOA for the second time. He recalls directors of various states in the room when he was being considered for the job. There were three or four internal applicants and three others.

Mr. Woodling stated that the things Ms. Westerhausen, Mr. Colton, and others mentioned as far as criteria and qualifications are good. Things have changed so much in the parks system from 25 years ago that he hates to bring up the history. There are times when he believes it's important to have a history. He believes that the Board is plowing new ground here. We're in a whole different situation as far as state parks than we were back in the 1980s compared to where we are now. He believes the Board needs to develop its own criteria. He's hoping to have someone on board by July 1. He asked if the Search Committee will stay in place and do the preliminary interviewing and going through applications.

Chairman Scalzo responded that that was the original thought. The subcommittee would come back to the Board with perhaps three to five candidates. The subcommittee needs some direction from this entire Board. If the new Chairman wants to change that, that's OK. He believes that the process needs to keep moving and have candidates for this Board to review sometime between March and April. He thinks the Board needs that kind of lead-time, especially if the Board brings in someone from out-of-state. That person would need time to transition here. In a national search, that could mean four to six weeks to transition from wherever he/she is. It's good business to do that.

Mr. Woodling noted that his concern is that Mr. Cordasco's term ends in January. It usually takes a while for the legislature to confirm a new appointment. He hopes that the Chairman will advise him to keep the same search committee in place (Chairman Scalzo, Mr. Cordasco, and Mr. Landry) and he hopes that Mr. Cordasco can serve through that process.

Chairman Scalzo noted that if a Board member has not been replaced, he/she continues to serve and vote until that time.

Mr. Woodling suggested that Mr. Cordasco could be appointed as an advisor and continue to serve on that subcommittee.

Mr. Colton stated that his focus on the duties of the Executive Director are, in a sense, assisting in the development of and subsequent implementation of the strategic plan. He believes that that probably needs to be elevated in the duties and in the strategic plan.

Chairman Scalzo suggested that the Board members review the job description in more detail and get their comments back to Mr. Travous. He reminded the Board members to not share their comments with each other.

Chairman Scalzo added that Ms. Lawrence and Mr. Kernan are the DOA representatives who would be working with the Board should the Board decide to go in that direction. He has been very impressed by them. The next Board meeting is November 21 in Phoenix. One of his concerns is that he does not think the search committee should meet at the ASP Board Room in Phoenix to conduct interviews. It would be uncomfortable for internal employees and external applicants to interview there. DOA can provide a public space to conduct interview with those candidates in Executive Session in their building.

Mr. Colton noted that, when it comes down to the final three or so candidates, he believes the Board can accomplish a couple of things in this hiring process. One is to be very inclusive; the second is to really get to know the individual. He is thinking some sort of "meet and greet" sessions might be appropriate that would include inviting the advisory committees – not for the decision-making but just to get a feel and opinion – and being able to spend quality time with each individual away from this kind of venue to chat. He believes the Board has liberty and is not stuck with a certain number of questions that must be asked.

Mr. Colton added that the Town of Oro Valley does a very full-blown Meet and Greet on a lot of positions. They are currently trying to hire a Deputy Planning Director and are going through a process that he thinks is overkill. Some of it, however, has merit. They get all of the candidates in the room at the same time, invite a large number of people from the community, and go through the whole process. That's probably too much. However, having the ability on an individual basis to meet with the candidates with advisory committee members, Foundation members, and others present would be an added benefit to everyone.

Mr. Travous noted that when he was interviewed for this position, when that Board got down to the final six they interviewed those six during the day at the University Club with a reception for all of them in the evening along with some invited guests. He doesn't know if that Board invited those guests for their feedback.

Ms. Westerhausen noted that if the Board decided to do that, and four or more Board members attended, it has to be posted for the public by the Board and every advisory committee with members attending.

Chairman Scalzo noted that that concept is abnormal. He asked if there are legal restrictions on doing something like that.

Mr. Carpenter responded that there are no legal restrictions. One of the reasons that interviews have become so stilted where people read a question off a form is because of fears that questions such as "Are you married?", "How old are you?", "Are you going to have more children?" are asked. Then, if the person isn't hired, he/she comes back and says, "I wasn't hired because I'm in this or that particular category and why would they ask me those questions in my interview." It would have to be made very clear to the candidates that when they go to the social event they are not being interviewed – it's just an opportunity to get to know them.

Chairman Scalzo noted that it would be nice if one of the Board's legal members' firm could host it so that the Board would not be expending any of the state's resources and it would really be considered informal. They usually have conference rooms or it could

be held at a restaurant. He asked if legal counsel would need to be present at that event.

Mr. Travous stated that his understanding of his task is to take the input the Board has on the job description, get with the people from DOA and have them ready to give the Board a proposal about how they would go and be ready should the Board ask them to start the recruitment process to hire his replacement.

Chairman Scalzo asked that Board members also give Mr. Travous the names of any publications or groups they feel is relevant for the posting of this position so he can get them to DOA as well.

Chairman Scalzo stated that he felt the Board clearly discussed Agenda Item #3 on a multi-year contract. No decision has been made on that at this point.

Board Action

Mr. Woodling: I move that the Arizona State Parks Board not enter into a multi-year contract with the new Executive Director.

Chairman Scalzo asked if a motion on this issue is necessary.

Ms. Hachtel responded that the Chairman was correct and no motion is necessary.

Mr. Woodling noted that this is a discussion/action item and asked if there shouldn't be some closure.

Ms. Hachtel responded that Mr. Woodling could make a motion to not seek a legislative change for a multi-year contract for the position of Executive Director.

Mr. Woodling restated his motion as follows:

Board Action

Mr. Woodling: I move that the Arizona State Parks Board not seek a legislative change for a multi-year contract for the position of Executive Director.

Ms. Westerhausen seconded the motion.

Mr. Winkleman noted that earlier it sounded like the Board had that authority without going to the legislature.

Ms. Hachtel responded that, according to the statute, since the Executive Director serves at the pleasure of the Board, the length could be anything the Board wanted or deemed it to be. From Mr. Carpenter's comments, it sounds more like an actual detriment to the Board to actually have a contract in place. It appears that the Board's statute provides even more flexibility. From a legal standpoint, the Board has everything they need.

Ms. Westerhausen asked if she wanted to vote to preserve the status quo, does she vote Yes or No on the motion.

Chairman Scalzo responded that in that case the vote would be Yes.

Mr. Carpenter added that the Board could simply move to close the item with no action.

Ms. Westerhausen withdrew her second and Mr. Woodling withdrew his motion on this item.

Board Action

Ms. Westerhausen: I move to close the item with no action.

Mr. Winkleman seconded the motion and the motion carried unanimously.

Mr. Carpenter left the meeting at this point.

- 4. Discussion and Action Regarding Funding of a Proposed Morrison Institute Study on Sustainability of Arizona State Parks from the Astra Timms Forest Donation** – The Board will discuss and may take action regarding using the Astra Timms Forest Donation to fund up to \$100,000 for a proposed study by the Morrison Institute Study on financial sustainability of Arizona State Parks.

Mr. Travous reported that there is approximately \$290,612 in this account at this point in time. The Board has the money to do the Morrison Institute Study if the Board wishes to do it. He anticipates that this would be something the Board would have in March to help with the strategic planning and would certainly be something that if the Governor chooses to put together they could use as a foundation to start their study.

Mr. Travous added that he would like to ask the ASP Foundation be the Board's liaison with the Morrison Institute and be the people managing this study for the Board. They've been negotiating it back and forth. It would be better for the Board to not be in the front of it as the Parks Board; it would be better if it were coordinated by the ASP Foundation. Mr. Meeks has indicated a willingness to do so. He would also like to have recognition for Ms. Forest for her donation that enabled the Board to accomplish this study.

Ms. Westerhausen asked if the Morrison Institute will have a representative come in and talk to the Board about this before the Board votes on whether or not to do this study.

Mr. Travous responded that they were invited to this Board meeting but both Mr. Gammage and the other person had commitments they could not reschedule. He noted that there have been several meetings with them.

Chairman Scalzo added that he, Mr. Meeks, Mr. Ziemann, and the Board's research staff have met with them and reviewed the material in the Board packet. They were also told that the Board could not afford to pay them \$100,000 (they originally asked for more than that) and they came up with a number we thought we could afford using the Astra Timms Forest donation. He stated that we'd like to start this process as soon as possible so that we could have some of this material for the Governor's committee and for the new Director. They indicated that they could have a fairly good preliminary report done in early 2009. The Board would be involved in the process continuously. He would like to see them at our Board meeting to make updates to the Board on a regular basis beginning in January. They said they may have a draft to the Board before January if we move forward now.

Ms. Westerhausen asked if the Board has commissioned this kind of comprehensive study in the past. If so, is there access to that report.

Mr. Travous responded that the only thing, outside of our own studies, was a report by Bill Weary who came in about 10 years ago. He came in and did his own analysis that we refer to as the Weary Report. It cost between \$15,000-\$20,000 then. It was only an internal circulation document. The difference with the study by the Morrison Institute is that it will also become a marketing tool. We are trying to not only identify the problem, but identify solutions.

Chairman Scalzo invited Mr. Meeks, ASP Foundation, to address the Board about this issue.

Mr. Meeks reported that the representatives from the Morrison Institute tried very hard to attend this Board meeting. The proposal that the Board have before them is very reflective of the first meeting that Mr. Travous, Mr. Frerichs, Ms. Statler and he had with them in which we outlined what we considered to be the agency's problems going forth. The Foundation's main interest was looking forward to the possibility of a citizen's committee of some kind looking at the agency's situation, looking for funding solutions, etc. They are also looking at the possibility, down the road, of having to go to the legislature, and maybe even the voters, with some kind of proposal to deal with ASP's long-range planning and funding. It was their view that that process ought to include a study of some kind to put the parks system into today's context. As he said in his letter to the Governor, Arizona is becoming one of the most urbanized states in the country. Apart from Nevada, it is the most urbanized state in the country already. A park system not only has great economic benefits for the state, but in his opinion is a significant social safety valve for the kind of development this state is starting to go through. We need a study of this kind to put those kinds of things into context that would be readable, user friendly and readily understood by appropriate audiences.

Mr. Meeks stated that the proposal that Mr. Gammage sent back, both in its original form and now in its revised form, is very reflective of the conversations we had with him. They were very responsive. He believes that when they are finished with the study that it will be very responsive as well. He believes that we need to get this train out of the station as quickly as possible if we can because the timing is to try to get a draft by the end of the year; have a final report by March 31 which would give the committee at least 90 days to deal with it before they have to come with their report. He feels that it is very good from a public point of view. He recommended that the Board move forward with the Morrison Institute Study.

Mr. Travous added that Mr. Gammage, himself, seems to have taken a personal interest in this study. He believes that that helps the Board. He is well known around the valley for the kinds of things he does.

Mr. Woodling noted that he attended a conference where Mr. Gammage served on a panel regarding sustainability and was very impressed with him.

Mr. Colton noted that on the top of the second page of the proposal they talk about data used by blue ribbon panel. He would like to add the Parks Board and Foundation to that. He expects the current and future Director to make sure that it is obvious that it is not just an audience outside of the agency. Secondly, at the bottom of that same page where it talks about the funding models Arizona should consider. He noted that the last sentence says, "site visits to approximately five other western states are an option."

That's not really addressed in the budget. He assumes that's really not going to happen.

Chairman Scalzo responded that they were told that the Board could not afford site visits. We prefer that they do it by telephone or otherwise. If they wanted to do it, it isn't coming out of new money.

Mr. Colton added that this should be thought of as a sustainable park system. The three legs of a sustainability model would be the economic leg (covered here), the environmental leg (not sure if it's covered here), and the social (covered in part here). He believes that it would be useful if it could be framed in that respect. In regard to funding, there needs to be a piece on how to maintain personnel issues to manage the parks system.

Mr. Colton stated that he specifically liked using the Arizona indicator public opinion memo because some how we need to be able to get at people's understanding and needs beyond the people who actually use the parks. We need to get to the people who don't use the parks.

Mr. Colton added that the one thing he's not sure is included that he would want to see is that if the panel is made up of middle-aged white guys it will probably not be enough. We need to have the sense of young people, their needs, as well as older people. He doesn't know if this panel can get the Board to the youth.

Mr. Travous responded that he believed it is a series of focus groups. They strive to have a breadth of people included.

Mr. Colton noted that it is important to have high schoolers, young college people, and older people. In urban planning it is important to figure out how to retain those people in our community. He wants to see that we have all those bases covered and ask the appropriate questions.

Board Action

Mr. Colton: Subject to the comments just discussed, I move that the Arizona State Parks Board enter into a contract agreement with the Morrison Institute on the study of sustainability of Arizona State Parks using funds from the Astra Timms Forest donation and asking the Arizona State Parks Foundation to help manage and monitor this agreement.

Mr. Winkleman seconded the motion. The motion carried unanimously.

- 5. Discussion and Action Regarding Possible Letter About Parks Capital Projects Being Included In an Economic Stimulus Package.** - The Board will discuss and may take action regarding a letter attempting to get state parks capital and maintenance projects in an economic stimulus package.

Mr. Travous reported that he received a phone call last week from people who are very involved in the campaigns (congressional and presidential). Federal Reserve Chairman Bernanke made his comment that perhaps another economic stimulus package would be helpful. That was all on the cusp of movements in Congress to do something for "mainstreet". They've done something for Wall street; now they need to do something for "mainstreet". He received a phone call last week that said that up

to now all of their discussions have been revolving not only around extending the unemployment insurance but has also been around some jobs. Those jobs have been primarily looking at the Highways Bill which would be bridges and roads. What doesn't happen with bridges and road construction is that the trades that go into road construction are not the trades that go into housing construction where we have a big problem across the country. It was suggested that if we get some letters to key people (i.e., our Congressional delegation) we might be able to get a capital investment program in this jobs bill to do the rehabilitation of our parks. He's thinking, internally, Jerome, the Lodge at Tonto, etc. This is moving very quickly. Evidently President Bush has been looking at it more favorably. It's possible that they would do something by the end of this calendar year. If they have enough Republican votes, the President has said he will sign it. If don't, they will wait until after the election and take it up again. Even if we don't get something done right away, it will come up sometime this spring and perhaps again next fall.

Mr. Travous noted that ASP has nearly a \$200M backlog in maintenance for major repairs across the system. California is \$1.2B; Ohio is \$500M. The National Association of State Park Directors (NASPD) asked him to head this up for them on an individual basis. If the Board approves this letter, it would go from the Chairman to select members of our delegation at this point in time and to some other Congressmen. This would be our attempt to start looking at ensuring state parks would be included in a jobs creation bill.

Mr. Woodling asked if it's wise to list various things that need to be worked on relating to capital projects.

Mr. Travous responded that, at this point, the letter only lists projects that give the recipient an idea of what it is we're talking about. If it gets legs, then is the time to get more specific.

Mr. Woodling stated that he believes this is a wonderful opportunity to get some money if this bill ever passes.

Ms. Westerhausen stated that the Board has an opportunity here to present something that might have even more punch than other parks' letters might have (i.e., to include color photograph of the plumbing issue we have at one of our parks, the damage to Jerome, etc.). All of these things might be visual aids. Additionally, provide information on where this \$188M figure comes from so we can show that we're already on top of how much this will cost and where the money will go. She asked who has identified this figure (the Board, outside agencies, the Foundation).

Mr. Travous responded that that is actually a presentation staff made years ago that staff update regularly regarding costs.

Ms. Westerhausen stated that she felt the letter should say that the Board has continuously engaged in this process relating to costs and are up to date on it. The Board has a chance to really market the agency here with information packets. There is also the opportunity to take parks from different legislative districts and include photographs of where we would want to spend the money.

Chairman Scalzo noted that Mr. Travous' letter certainly shows the diversity of our state and includes multiple congressional districts.

Mr. Travous responded the Mr. Ziemann did the bulk of this.

Chairman Scalzo noted that references to trades people who would be working on this is very important because that's where we're hurting most in the state.

Mr. Woodling noted that one of the things the Board is very concerned about is water quality control. That isn't mentioned in this letter. We have some parks where the water is not up to standard.

Mr. Travous responded we need to say that nearly every park in the system is in need of water system upgrades.

Mr. Colton stated that he made a few minor edits to the letter that he gave to Mr. Travous. It seems that this is a win/win. It reads like a New Deal sort of thing. He thinks that bringing in jobs for parks is important. He asked if this would go to just the Arizona delegation or the universe.

Mr. Travous responded that it would go to the Arizona congressional delegation and a number of key congressmen from other states.

Board Action

Mr. Colton: I move that the Chairman of the Arizona State Parks Board be authorized a final draft of this letter and send it to the appropriate people at the Federal level, including our congressional delegation to support a jobs for parks proposal in the proposed economic stimulus package should it occur.

Mr. Woodling seconded the motion. The motion carried unanimously.

2. Discussion and Action Regarding Direction Subsequent to Discussions on Strategic Planning – The Board will discuss Strategic Planning for the next one-to-two years.

Chairman Scalzo suggested that the historical portion of Mr. Travous' presentation might be better for the November Board meeting as time is running out today and all of the advisory groups will be present in November.

Mr. Woodling suggested annually getting the Board together and have an "in service" day where the Executive Director and staff come in and talk about the various advisory groups, what the various departments within the agency do, and hear from the managers of the state parks themselves. He, personally, would like to see something like this instituted on a yearly basis with the two newest Board members being required to attend.

Chairman Scalzo stated he felt that this was a good idea. He noted that in the January Board meeting the Board would discuss the Off Highway Road program and the licensing for it and invite our sister agencies (Game and Fish, Forest Service, BLM, and State Land Department). These are vital agencies that should be invited to that meeting. He would like to have extensive time to discuss that issue at that meeting.

Mr. Woodling noted that at one time the Parks Board met monthly. It was not every other month.

Chairman Scalzo noted that this has become almost a half-time job with all the meetings he attends on behalf of the Parks Board with the AG's office and the recruitment. He thought retirement would give him more time to do things.

Mr. Woodling noted that, as long as they are functional and meaningful more meetings should be held. He remembers being interviewed by Governor Babbitt in 1983 for appointment to the Parks Board. That was one of his main interests. The governor said that this was a committed Board and one that he needed to commit to. When he was appointed this time, he didn't talk to anyone. That's not a critical statement of our current governor or her staff. Someone should have interviewed potential new Parks Board members who were interested in serving. He believes that all of the Board members have that commitment to put forth enough effort as possible. We represent a large segment of this state who are very interested in State Parks.

Mr. Travous placed a number of sheets of paper around the room with writing on them. He asked that the Board take about five minutes and think about what they say. They are feedback from discussions he's had with staff and other people around the organization. As the Board who were present read them, he read them off to Mr. Cordasco.

- Currently 40% of the houses sold in the Valley right now are foreclosures
- There's an 18-month supply of houses in Arizona right now; two years ago there was a 3-month supply – and that was normal. We have six times more housing than normal
- According to a local economist in the Valley, 2009 will be as bad as 2008; 2010 will only be good in comparison to 2009
- On a local basis we had to transfer \$500,000 last month from the SLIF account to the General Fund in order to make payroll. We have to pay that money back at the end of this year so we can take it back out again for payroll
- We are using vacancy savings for utility bills. At the same time they started sweeping our budget using a forced vacancy savings. By the end of this calendar year they will have taken almost \$260,000 out of our vacancy savings. The problem is that people are not leaving the agency right now
- By October 24th, we have to identify \$500,000 in savings and be prepared to show another \$500,000 in savings for the Governor's budget as she prepares for the legislature to come back in session. The only place we have that money now is capital money we have set aside for repairing Jerome.
- We are losing our institutional memory
- Politicians don't want to hear we're closing parks
- With planned and possible sweeps, the agency stands to lose \$1.8 million to the budget of just a few months ago
- There is from \$600,000 to \$100M in the fund that no one wants to touch – it's the preserve money – because it takes $\frac{3}{4}$ majority vote in the legislature. That may be different this year

- We have lost our \$50,000 a year contribution from Avatar in Sonoita Creek
- Our partnership with Yuma at Yuma Quartermaster Depot is in jeopardy because they did not pass the Bed and Breakfast Tax. They will bring it up again in March. If they don't, then we've lost \$175,000 from them and then another \$75,000 and change we could contribute back to the park through our revenues by virtue of this partnership
- We don't know what will happen to our revenue. Even though our visitation's down in the first quarter by 5%, our revenue is up 0.1%. July was OK, August was good, and September fell like a lead balloon. Concession revenue made up for the bad month
- What are our obligations?
- What can we do over the next three, six or twelve months?
- What is the difference between a campaign and a strategic plan? He believes what is really being talked about here is a campaign. The question is what can the Board do in the next 3 and what can we do in the next 3, 6, and 9 months in order to keep us going and in order to further our Mission. It's very narrowly focused. It will be hard. Travel budgets have been cut 20%. He is looking into how we do our mailings. The good news is that we have \$1M in capital; the bad news is that the building is falling down.

Ms. Westerhausen referred to the sheet regarding what can be done in the next 3, 6, and 9 months and noted that she wondered if this historically low spot we're going through doesn't also present any bright spots. She's been to some meetings lately where they say times are dire, but when times are dire that's also the time for opportunity. She doesn't know if, for example, we can get revised bids on projects that need to be done because the companies who might provide us work would be willing to reduce the cost of the project in order to keep their people employed and to keep their inventories flowing.

Mr. Travous responded that if we could get construction bids out right now, the good news is that it's very competitive and they are coming in under what the estimates were just three or four months ago. Just five months ago, prices were so high because of gas that materials were high. That's come down a little bit. There are so many people out of work now that that has really turned. At the same time, they're talking about breaking contracts that we already have. All of the things we just signed for our grants, they're asking what grants they can break contracts on. There is a bright spot. There is a Congressional thing happening that could help us in the next couple of months or a year from now. Another bright spot is that, internally, we are working on what they call a strategic plan on talent and are looking at what we can do to retain our employees, to train our employees, and recruit good employees. It's an internal process that has really taken on its own life. The organization is running the project and it's fun to watch that process.

Chairman Scalzo noted that one of the areas that the Board concentrated on last year was presenting more information to the public about our facilities. Ms. Bilbrey has had excellent articles in the *Republic* every week in the Travel section. They were the most

educational, entertaining articles he has ever seen about state parks. That's an opportunity that's cost us some staff time, but it's also an opportunity to keep promoting what we have and what's available. People need this stress reduction more than ever, and we can provide that. Regardless of where one lives in this state, there places to go that are very affordable for families that act as a stress reduction. He believes that we need to have a continued and growing communication of what we are and continuing these stories. He believes that's strategic planning – we have to communicate our message and our message is that we have these great facilities.

Mr. Colton noted that much of the communication that exists that most of us who are older tend to look at – newspapers and such – are in decline. People who are younger don't look at the newspaper. If they do, they look at it online. Having both, in terms of having a presence online in blogs, in Travel columns, and such that it's just there, are ways we can get messages out. It doesn't necessarily have to come from us. There's also a potential to use it as a way to get the message out about the financial issues. It's two separate things but connected as far as the Board is concerned.

Mr. Woodling referred to the sheet referring to politicians not wanting to hear about closing parks. He asked for a synopsis of what happens if an historical park is closed somewhere in the summer when it's not well-visited or a recreational park is not well-visited in the winter. He specifically asked what the ramifications are to the agency and the staff that work at those parks.

Mr. Travous responded that one has to be careful going into it because of the statutes that protect covered employees. If the Board closed a park and someone at that park had seniority the Reduction in Force process begins and we start bumping people on down the road. It's a very complicated process. If it's done for monetary reasons, the Board would have to close a lot of historic parks down that don't have very large budgets. Proportionally, when it comes to numbers, seven or eight of them would have to be closed versus in order to save the money of closing down Lake Havasu with all of the people there. Then one has to take into account the revenue that is lost when closing that park down versus the expense of it.

Mr. Travous stated that, politically, what happened the last time the Board tried this, we went through an excruciating process of closing parks on a seasonal basis. Staff looked at closing the parks up on the rim in the winter and the summer parks (Picacho Peak, Lost Dutchman, etc., who don't get much visitation when it's hot) in the summer. Staff put together a matrix and got an angry response from the legislators. No one would believe that the parks the Board chose were not for political reasons. Every park that was chosen had a constituency. If it was Catalina the Board was thinking of closing in the summer, the people in the area got on their legislators who then said the Board was grandstanding. The legislators know that if they keep the parks open, their public is satisfied. When it comes to our obligation, they will let the park fall apart. It's very analogous as to what happened to the Walter Reed Hospital.

Ms. Westerhausen noted that Mr. Travous' reference to the editorial regarding Board decisions are closing parks seems to her to be the exact historical information that would be useful to have in a packet or manual for Board members – especially new Board members. Not because it was Mr. Travous who did this, but because future

boards need to be aware that that's how they are going to get shot for these same kinds of decisions.

Chairman Scalzo noted that the Board will lose that history with Mr. Travous' leaving.

Mr. Travous added that the legislature actually passed a law that said not only would we not close parks, but that we would not decrease hours of operation. It was Session Law that is gone now.

Chairman Scalzo noted that it's difficult to save much money. There may be some full-time vacancies, but it doesn't save much. It's important to look at options when planning for the future. As an example, in many cases library districts have closed at 8:00 p.m. rather than 9:00 p.m. because attendance dropped off dramatically after 8:00. They open now at 10:00 a.m. instead of 9:00 a.m. except in areas where there's a larger senior population. Those changes don't have a dramatic effect. They basically affect part-time people. That is not a good answer in strategic planning. The question is whether we can afford to acquire new lands and new facilities. The Board needs to address that issue now.

Mr. Woodling responded that the Board seems to have done that with Picket Post House and the Rockin' River Ranch. We found the necessary funding. Of course, it upset a lot of people.

Chairman Scalzo agreed and added that that funding had been set aside before for this process. His concern is whether the Board needs to strategically say it cannot acquire anything into the future without the resources to maintain and operate. That's a rather strong stand to take.

Mr. Woodling responded that the Board addressed that with Slaughter Ranch. It was the consensus of the Board at that time that the foundation down there needed to participate financially in order for the Board to purchase that property.

Chairman Scalzo noted that if the Board is going to put a strategic plan together, should that be addressed as an issue? Should it be put on the table so that the new Director realizes that the Board is restricted on that. We can also advise our elected officials when they say that they really would like the Board to acquire certain properties. We have to have the resources to maintain and operate it. The Board can't just do things to make them look good for a year or two.

Ms. Westerhausen asked if this is a topic that is included in the Morrison Institute project.

Mr. Travous responded that he believes it is included under sustainability. It's not just maintaining what we have. In the process, the state is going to grow. How do we increase the state parks system to be relevant into the future and then make it sustainable?

Chairman Scalzo added that many states require their agencies, before acquiring more space or facilities, to identify the operational cost for that agency annually and identify where those resources are coming from. That requirement slows up a lot of acquisitions.

Mr. Travous added that the Enhancement Fund expires when we make our last payment on Tonto Natural Bridge. They are currently behaving as though Tonto is already paid off but they are still making the payments on that park. There were two parts to it. The Enhancement Fund was created to develop Kartchner Caverns State Park (KCSP). The Board developed KCSP without any tax dollars. It was going to then go away as soon as KCSP was completed. The bill was "tweaked" to say, "until the last payment is made on Tonto Natural Bridge State Park." It gave the Board another 15 years of the Enhancement Fund. That worked until 2002-2003 when they took the first dip out of the fund.

Mr. Meeks noted that the Morrison Institute Report, might have to come to a conclusion that given the current level of funding, given the potential loss of the Enhancement Fund in 2011, etc., that by "X" date if the agency's capital funds and revenue aren't improved certain actions will have to be taken, certain numbers of parks will have to be closed, no more acquisitions can be made by the Board in the future.

Ms. Westerhausen noted that she was once on an Arts Council that invited in a strategic planner who was very well qualified. At the end of the strategic planning session the conclusion was that they needed to disband. She believes that an appropriate conclusion by the Morrison Institute could be one that says we have to abolish ASP if we don't get something done.

Mr. Travous stated that on the day he leaves the agency a lot of other things will crop up that have happened over the years that people stopped trying to do because he was here. Old ghosts will come back. One will be the railroad station up in Williams that they wanted the agency to take over. As soon as he's gone they will be right back down here to talk to the Board.

Mr. Cordasco noted that that railroad is owned by the Grand Canyon Railroad – a concessionaire that is up in the Grand Canyon.

Mr. Travous responded that we're talking about the village and railroad museum in Williams.

Mr. Cordasco added that they initiate the Grand Canyon Railway out of Williams now. That company purchased the hotel and all that.

Mr. Woodling added that he stayed there, and it was all privately owned.

Mr. Travous responded that they want a big railroad museum and shops to go in. And they want ASP to do it.

Mr. Woodling suggested that Mr. Travous make a list of the ghosts that might revisit the Board.

Returning to the original discussion, Mr. Travous stated that he believes that when the Morrison Institute gets further along they will have to come to the Board with what they're looking at and ask how comfortable the Board feels about it.

Mr. Travous noted that another ghost would be some people who will want to say, "Let's just privatize the state parks system." There will be people who will come in wanting KCSP and the other parks that are profitable. The Board will end up with the historic parks that don't make money.

Chairman Scalzo noted that in a strategic plan the Board should be looking at succession planning. He is concerned with the numbers that he's seen that indicated 40% of staff would be retiring. Some are Park Rangers who have managed their park for 10-12 years. They know where the rust is on things. He asked how the Board will transition through that.

Mr. Travous responded that that is what the Strategic Plan On Talent (SPOT) is all about. The Board's support of SPOT would be a very good thing.

Mr. Travous noted that he has four items written down: The Morrison Study, Hire Director, The Blue Ribbon Committee, and Support SPOT. They are out there working internally to make sure a) that we don't lose people we could have kept; b) making the people we have as good as they can be by providing training; and c) by recruiting the people we want into the system. We want to be known as the place where people want to come and work. This is an internal program.

Chairman Scalzo suggested having SPOT come to a future Board meeting and giving an update on their progress.

Chairman Scalzo noted that for strategic planning purposes, if we're going to have a strong agency, it's not just the Executive Director, it's the backbone of the organization – the field people and the people in the office who keep the payroll happening and the parks' gates open and law enforcement. He believes that the system is frail because of the number of potential retirees. The economy is actually helping us now. The bad economy is keeping people working longer.

Mr. Travous noted that he placed another sheet on the wall. It read: Blogs as a tool for opportunity and to get out plight out there. The Morrison Study (which the Board has approved), hire a Director (which the Board is already doing), etc., are things the Board can do in 3-6-12 months. That will go a long way to bolster the employees' morale.

Mr. Travous stated that the only other idea he had deals with the \$60M-\$100M in the Growing Smarter account. In the past, no one has wanted to go there to solve the budget problem because of the law that was passed that said any Initiative that is passed must have a $\frac{3}{4}$ vote. He is anticipating that this Session things might be so bad that they may think they can come within talking distance of that \$60M-\$100M. If it looks like the legislature is going to take that, then the Board needs to get some of the money back or have them add three more years onto the bill so the Board hasn't lost anything.

Mr. Colton responded that, if that becomes an issue, the Pima/Pinal delegation may have enough votes to block it.

Mr. Travous noted that there's a \$35M project out there that he's not sure will be made. He believes that's the Phoenix project. They've made application for it, but when he sees the City of Phoenix having to lay off all these people, he has reservations as to whether they can complete this project. There is \$60M available in the Growing Smarter Fund, but there could be as much as \$100M if the Phoenix project falls through.

Mr. Colton stated that he is sure Pima County will go after Tumamoc and there is money available in the fund for that project.

Mr. Woodling asked if the Growing Smarter Fund is funded at \$20M per year as a mandate.

Mr. Colton responded affirmatively.

Mr. Travous added that \$2M of it goes to the Dept. of Agriculture, and ASP gets an administrative fee of 5% up to \$500,000. If that money is not spent, it must be returned back to the fund.

Mr. Colton added that the fund ends in 2011.

Mr. Woodling asked if the Heritage Fund goes away, too.

Mr. Travous responded that the Heritage Fund gets reviewed every 10 years (sunset). Because the Heritage Fund Initiative was passed prior to the new Initiative bill, it does not require a $\frac{3}{4}$ vote; it requires a 1 more than 50% vote in the House to overturn it. Because of the Heritage Alliance, it gets protected. He has not heard anyone talk about taking the Heritage Fund yet.

Mr. Colton noted that SHPO reviews projects around the state and gives clearances or whatever. He asked how much the Board charges for that.

Mr. Travous responded that that's something that came up on Tuesday of this week. Not only that, but also because of the size the mailings that the agency does, we should at least be charging something.

Mr. Colton suggested we start charging for SHPO reviews and that that money goes into the historic parks. Internally in Pima County they have a cultural resources section that reviews everything. Every private sector project in Pima County has to have a cultural resources review. Their cultural resources section exists, but is basically funded by everyone else. Every time his section consults for something, they charge his department for their time. If that's the case, SHPO should, at a minimum, be charging their time and cost of doing it to anyone who comes in with review. It could be, not only a cost recovery, but a moneymaking operation. We could at least support the historic parks.

Ms. Westerhausen returned to the Morrison Institute proposal. She felt it might be more appropriate for them to go and visit the parks as opposed to visiting the five western states.

Chairman Scalzo asked whether parks fees could be added to the proposal.

Mr. Colton asked, going beyond that, what services could ASP provide to the private sector that needs information about something for which there could be a fee charged that we give away today.

Chairman Scalzo noted that the Research survey group are unbelievable. When he met with them they had a table of information and looked at these documents and interpreted them. Companies pay consultants to do that kind of work.

Mr. Colton responded that we need to start charging for whatever we are giving away for free.

Mr. Woodling noted that the Morrison Institute mentioned license plates. He asked if it's possible to have a license plate people could buy specially that would promote ASP and ASP would get a fee from the licensing of the vehicle.

Mr. Travous responded that one of the proposals is a license fee. Montana has already done it and Colorado is looking into it. Everyone's license fee would be increased by \$10 and then everyone could get into the parks for free. It would be a mandatory increase in license fees.

Mr. Woodling noted that he was thinking of a special ASP plate where people who wanted it would pay extra for it like people who get their logo on plates.

Mr. Travous responded that staff have brought that to the legislature over the past several years. Unfortunately, it has never gotten anywhere. It has gotten to the point where the Dept. of Public Safety has asked them to slow down on this because there are so many of them it's becoming very difficult to determine if it's a different state.

Mr. Travous reviewed the list to this point: Blogs, Morrison Institute, Hire Director, Blue Ribbon Committee, SPOT, Charging for SHPO, Charging for other Services to raise money.

Mr. Colton noted that there's another piece to the blog issue. When one Googles something, links come up. It would be good to get ASP on more travel sites that come up. When he first got on the Board, he Googled Arizona State Parks. At the time, the new ASP website did not come up. He was getting the old site with old information. He thinks that's been fixed, but he's not sure. We need to get a link from TripAdvisor.com, AAA.com, and other sites like that where people go and be promoted by someone else for free.

Mr. Woodling requested that the Board receive a synopsis of these issues.

Mr. Cordasco noted that the Board has been discussing opportunities for raising money from different activities. Stating the Mission itself may provide the greatest opportunity to become more sustainable. By throwing out what ASP does may open doors that would allow for the agency to become more sustainable.

Mr. Travous responded that "stating the Mission" has been added to the list. He noted that in his discussions with Exec Staff the blue model for growth seems to be getting a lot of attention lately. It is being received well as a tool to manage growth. It not only hits on us, but it hits on Agriculture, Water Resources, Wildlife, and a lot of other things. It is certainly something of a bright spot right now and something we shouldn't ignore. In the future, it might be a good idea to not only have an update on the SPOT process, but an update for the agency on where we are on this model that we're doing on a statewide basis.

Mr. Colton responded that he believes that the tool is most useful for governmental entities that don't have their own fairly sophisticated tool. Pima County and MAG probably have highly-sophisticated models. However, most of the rest of the state probably doesn't. They don't have the resources or the money. The development community that's working in those places, when they come back and are able to work, is the nugget. This would definitely be something the agency should charge for. He

noted that if one hires a GIS firm, it's probably about \$100 per hour. We undercut them at \$80 per hour.

Mr. Woodling asked where the Board is going to get that \$500,000 to pay back the borrowing.

Mr. Travous responded that he didn't know. It is not uncommon in the first quarter to borrow money from this fund. In the first quarter they take out everything. They give the agencies quarterly allotments, but it's not 25% each time. The first one is 28% and the remaining 3 are 24% each. The problem is that we pay all of our risk management out of the first quarter. They come in and sweep it and they make us pay all of our rent out of the first quarter. They make us pay all of our DOA payments from the first quarter. That's why we have to borrow it back out. The real problem is that because we are tied into our revenues, our biggest month isn't until March. We don't know if we're going to make our year in revenues until March. They requested we do a cash flow on all of our funds. We just sent it in last week. If it was done realistically, we would be in the red in the General Fund at the end of the fiscal year by at least 3% of our budget. When we turn in our flow charts, end up spending all our time with the auditors when the fact is that we really don't know. The models predict it will be there but we've always made up our time in the March revenue. The real answer is that we really don't know until March whether we will have paid that back or not.

Chairman Scalzo stated he presumed that state agencies cannot end up in the red at the end of the year.

Mr. Travous agreed. He noted that, mechanically, the Mr. Siegwarth's staff are very good at doing what he says and know all the machinations to go through. Mr. Siegwarth's value was above the clouds. He knew where money was going to go where we could borrow money and what the risks were 3-4 months down the road. He always monitored those things out in front of him. He left us in good shape with the staff that were under him, but we still need a replacement for him. They want to have the new director in place before recruiting for this position.

Mr. Colton asked if we could pay a portion of the salary for someone who is really good at this who works for another agency.

Mr. Travous responded that he did not know. Staff did look into hiring someone just on contract.

Mr. Colton noted that this has been a good discussion. In looking at all of this, he wondered what the Board can do in the next 3-6-12 months and whether everything has been addressed as possibly could be addressed.

Mr. Travous suggested that he write up the issues and have Mr. Colton review it from a planner's standpoint.

Chairman Scalzo noted that he spoke with someone about setting up a committee to keep this process moving, especially over the next 6-8 months while Mr. Travous is still here so we can refine this to the point where the Board has something in March to share very easily with incoming candidates and so that the Board can feel very comfortable with what they have. He would like to have a committee of 3 to keep this

process moving. The Board cannot wait another year to meet on this – or even 6 months.

Mr. Colton asked if this could be a Board/staff combination.

Chairman Scalzo responded that the committee would have to include staff. He felt that Mr. Travous would be the lead person on that committee. He asked Mr. Colton to chair the committee with Mr. Travous as the agency's liaison. He asked if any other Board members would be willing to serve on this strategic planning committee.

Mr. Cordasco suggested that Mr. Winkleman would be an appropriate member of this committee.

Chairman Scalzo appointed Mr. Winkleman to serve on the strategic planning committee along with Mr. Colton as Chairman and Mr. Travous as agency liaison. He asked that they get back to the Board at the November meeting on how they're doing, what they're tracking, and any timelines for the Committee.

Mr. Cordasco noted that Mr. Woodling will probably be moving up to be Chairman in January. He suggested that there be some discussion at the November meeting as to what the 2009 schedule will be. We need to keep talking about March.

E. CALL TO THE PUBLIC

Even though she is a Board member and not public, Ms. Westerhausen suggested making a training manual and creating training for Board members. If a subcommittee were created for that, she would volunteer to serve on it.

Chairman Scalzo requested Ms. Westerhausen chair a Training Subcommittee for the Board that would include Vice Chairman Reese Woodling to come up with recommendations for discussion at the November Board meeting. He would also like a small report from the Strategic Planning Committee. He requested a budget presentation at the start of that meeting so that the advisory committees will hear the message, too, and be the Board's allies in the fight for more resources. Sometimes they fight with the Board because the Board is using those resources instead of realizing the Board is not their enemy but rather their partner and we need to work together. They need to know that Jerome may fall down because we don't have the money and that it's not because the Board is against historic facilities and preserving them, we don't have the money. Whatever they have in terms of money to manage, they need to realize that there are historic buildings falling down. The chairs and/or vice chairs need to be present at that meeting to make presentations on their committees. Mr. Travous will do the historic review. It is going to be a fairly packed.

Ms. Westerhausen added that the Board should do something to commemorate Mr. Siegwarth's service.

Mr. Travous noted that internally staff do things for people retiring or leaving the agency. On the day that the agency was going to do something for him, his mother-in-law passed away. It would be nice to have a reception at Boyce Thompson in the old mansion.

Mr. Woodling asked what has been done in the past for people who have served the Board. Everyone gets a plaque every now and then. At Malpai someone makes a very

nice plate in a western motif that includes a picture of that person that is surrounded by rope and says, "Thank you for your service to Malpai." It's a very unique gift. The Board may want to go with something like that.

Mr. Travous responded that, if they've been with the agency for 10 years, they are given a lifetime pass.

Mr. Colton noted that another option might be starting a commemorative wall perhaps at KCSP.

Mr. Travous noted that, relating to hiring his replacement, the Board should keep the back of their minds that, for all of the different skills and backgrounds the Board wants, it is key that they like working with a board. After serving the Board for so many years, he doesn't know that he could now work for one person again. He likes the dynamics of it, and the Board needs to find someone who realizes that he/she will learn something from everyone in the process.

Mr. Meeks stated that he would really like it if, when the Board screens people for this position, find out if they are amenable to or experienced with dealing with non-profit support groups.

Chairman Scalzo responded that DOA told him they have some general questions they ask, but need direction from the Board as to what specific kinds of questions to ask. That could be a good one.

Ms. Hachtel stated that that is something that would be developed in Executive Session.

Ms. Westerhausen added that she has a note to herself to talk to Mr. Travous about revising the job description to add working with the Advisory Groups.

F. ADJOURNMENT

Mr. Colton moved that the Board Adjourn. Ms. Westerhausen seconded the Motion. The motion carried unanimously.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED BY:

William Scalzo, Chairman

Kenneth E. Travous, Executive Director